



ARIZONA STATE SENATE
Fifty-Second Legislature, Second Regular Session

FACT SHEET FOR S.B. 1244

fire districts; wildland fires; budgets

Purpose

Modifies statute relating to Fire District Assistance Tax (FDAT), fire district overrides and wildland fire reimbursement claims.

Background

The Board of Supervisors (Board) of a county must levy a county FDAT on the taxable property in the county of not more than 10 cents per \$100 of assessed valuation. Beginning with Fiscal Year (FY) 2013, a consolidated district must not receive more than \$400,000 in FDAT monies, without regard to whether the consolidated district is located in more than one county. If two or more fire districts merge to form a consolidated district and the total amount of FDAT monies received by each fire district is less than \$400,000, the consolidated district may continue to receive monies until its receipts total \$400,000, without regard to whether the consolidated district is located in more than one county.

Based on the budget submitted by a fire district, the Board must levy a tax not to exceed \$3.25 per \$100 of assessed valuation, or the amount of the levy in the preceding tax year multiplied by 1.08, whichever is less, against all property situated within the district boundaries and appearing on the last assessment roll. Qualified electors of the district may vote in an election to authorize the Board to levy a tax exceeding the \$3.25 limit under one, but not both, of the following options: 1) the electors authorize a permanent override allowing annual levies without reference to the levy of the preceding tax year, but remaining subject to the tax rate limit of \$3.25; or 2) if the net assessed valuation of all property in the district declines by a combined total of 20 percent or more over two consecutive valuation years, the electors authorize an override for five consecutive tax years allowing annual levies that are exempt from the \$3.25 tax rate limit but are subject to an annual levy limit of the amount of the levy in the preceding tax year multiplied by 1.05 (A.R.S. § 48-807).

The State Forester must process and pay claims for reimbursement of wildland fire suppression services as follows: 1) within 30 days after receiving a complete and correct claim for wildland fire suppression services, the State Forester must pay the claim from available monies that have not been committed to the payment of other wildfire expenses; 2) within 30 days after receiving a complete and correct claim for wildland fire suppression services on federal lands, the State Forester must complete the processing of the claim and forward the claim to the appropriate federal agency; or 3) for any valid claim other than federal reimbursement, if there is insufficient funding in the Fire Suppression Revolving Fund, the holder of the unpaid claim must be issued a certificate from the Arizona Department of Administration (A.R.S. § 37-623.02).

There is no estimated fiscal impact to the state General Fund associated with this legislation.

Provisions

Fire District Assistance Tax & Overrides

1. Eliminates, beginning in FY 2017, the \$400,000 FDAT limit for consolidated fire districts.
2. Allows a consolidated district to receive FDAT monies as otherwise prescribed without regard to whether the consolidated district is located in more than one county.
3. Removes the requirement that the net assessed valuation of the district property decline by 20 percent or more over two consecutive valuation years in order to hold an election to authorize an override for five consecutive years allowing annual levies that are exempt from the \$3.25 tax rate limit.
4. Removes the requirement that the annual levies allowed by an override be subject to an annual levy limit of the amount of the levy in the preceding tax year multiplied by 1.05.
5. Prohibits fire districts from seeking an additional override during the five tax years immediately following the expiration of an override.

Wildland Fire Reimbursement Claims

6. Includes claims for personnel hours, used supplies and reasonable and negotiated costs of damage to equipment that exceeds normal wear and tear in the reimbursement claims the State Forester must process and pay.
7. Directs the State Forester, for reimbursement claims that a federal agency does not pay within 30 days after the State Forester forwards the claim, to pay the claim from available monies in the Emergency Response Fund.
8. Directs the State Forester to certify, if there are insufficient monies in the Emergency Response Fund, the claim to the State Treasurer who must pay the claim from monies appropriated from the Budget Stabilization Fund.
9. States that an amount sufficient to pay claims certified by the State Forester is continuously appropriated from the Budget Stabilization Fund to the State Treasurer for payment of certified claims.
10. Requires a holder of an unpaid federal claim that receives monies to reimburse the State Forester or State Treasurer within 30 days after payment of the claim by a federal agency.

Miscellaneous

11. Makes technical and conforming changes.

12. Becomes effective on the general effective date.

Prepared by Senate Research

February 3, 2016

BL/lb